

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
)	

COMMENTS OF THE

NORTH CAROLINA TELECOMMUNICATIONS INDUSTRY ASSOCIATION

The North Carolina Telecommunications Industry Association (“NCTIA”) respectfully submits these comments in response to the Public Notice (“Notice”) issued by the Commission on March 9, 2012 in the above captioned dockets. The Notice was issued in response to a Petition for Waiver and Clarification.¹

NCTIA is a trade association comprised of local exchange companies providing telecommunications and broadband services to consumers in North Carolina. NCTIA members provide Lifeline and Link Up services to consumers throughout the state. Lifeline consumers in North Carolina receive a monthly credit of up to \$13.50 and NCTIA members receive up to \$10.00 in monthly federal Universal Service Fund reimbursement and \$3.50 in state tax credits.

A change in the federal Lifeline amount from \$10.00 or less to \$9.25 or less and Link Up from \$30.00 to zero will result in price increases for North Carolina Lifeline consumers which would require NCTIA members to provide advance notice to consumers.

¹ Petition for Waiver and Clarification of the United States Telecom Association, the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, the Western Telecommunications Alliance, and the Eastern Rural Telecom Association, WC Dkt. Nos. 11-42 *et al.* CC Dkt. No. 95-45 (filed Mar. 9, 2012).

According to an August 31, 2011 letter from North Carolina Assistant Attorney General Margaret A. Force filed with the North Carolina Utilities Commission in Docket No. P-100, Sub 133f, “there were 136,166 households receiving Lifeline benefits” in the state as of June 30, 2011.” The rate increases will directly impact these consumers in North Carolina.

NCTIA member companies vary in size where some smaller companies may have one bill cycle per month and others may have multiple bill cycles. Local services including Lifeline are billed to consumers in advance. Many Lifeline consumers have already been billed for services into April receiving the current credit of up to \$13.50 which would prevent NCTIA members from providing the required advance notice of a price increase to consumers. Furthermore, consumers already billed a credit for service in April would receive a retroactive rate increase adjustment on their next bill causing confusion and anger.

Social service agencies in North Carolina and NCTIA member companies provide information to consumers about Lifeline and Link Up services and discounts and they need to be on the same page to avoid even more confusion than there is now. There are thousands of people that will be impacted by these rate changes in North Carolina. A delay in the effective date for Lifeline and Link Up rate changes from April 2, 2012 until October 1, 2012, when new marketing materials are required to be available, would benefit consumers. This would allow social service agencies, the North Carolina Utilities Commission, and NCTIA members adequate time to print new materials, file tariffs, train employees, educate consumers, and implement billing changes with minimal consumer frustration.

Conclusion

NCTIA supports the Petition and strongly encourages the FCC to delay the effective date of Lifeline and Link Up rate changes to October 1, 2012. It would be a disservice to consumers to implement these changes otherwise.

Respectfully submitted,

March 19, 2012

NORTH CAROLINA TELECOMMUNICATIONS
INDUSTRY ASSOCIATION

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